



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

November 24, 2009

For More Information
Roger Munns (515) 281-4848

Iowa Medicaid Out-Performs Nation on Accuracy

DES MOINES, Iowa—Department of Human Services Director Charles Krogmeier said Tuesday that a federal audit shows Iowa's Medicaid program is significantly more accurate than the national average regarding payments to providers and determination of member eligibility.

"Program integrity is a high priority for Iowa Medicaid and it's gratifying to see that our efforts are recognized. At the same time we're shooting for zero errors, so we know we have a ways to go," said Krogmeier.

Iowa Medicaid provides health coverage to more than 425,000 low income elderly, children, and the disabled. It is administered by the Iowa Medicaid Enterprise, a division of the DHS.

Krogmeier referred to the 2008 Payment Error Rate Measurement (PERM) conducted by the Centers for Medicaid and Medicare Services. The audit measures unintentional overpayments to Medicaid providers, such as doctors and hospitals, plus calculation errors by DHS frontline staff who determine eligibility.

The audit shows the overall national error rate was 8.71 percent compared to 4.91 percent for Iowa.

The error rate is a sum of three separate percentages—errors regarding eligibility, vendor payments, and managed care. Iowa's accuracy rate exceeded the national average on all three.

Krogmeier said he expects an initiative announced last month will increase accuracy in payments to hospitals, pharmacists, and other providers. All Medicaid claims will soon be screened by a new tool that checks for coding errors. Krogmeier said the change will prevent an estimated total of about \$3.5 million in overpayments through fiscal year 2011.

"DHS makes a difference in the lives of Iowans and we strive to deliver benefits to the people who need them in an efficient manner. We interpret this first-time audit of Iowa's programs to mean that we are on the right track. We will continue to make improvements as we handle growing cases due to the economic crisis."

This is the second year that CMS has calculated a composite error rate for Medicaid. In 2007, the overall error rate was 10.5 percent. About a third of the states are graded each year.

In addition to Iowa last year, the other states in the most recent audit were Alaska, Arizona, Florida, Hawaii, Indiana, Louisiana, Maine, Mississippi, Montana, Nevada, New York, Oregon, South Dakota, Texas, Washington and the District of Columbia. CMS did not release a state by state comparison.

The IME has already recovered the erroneous overpayments to vendors identified in the PERM audit.

more

Editors. Here is a link to the entire national report. A separate Iowa report is also available.

[http://www.cms.hhs.gov/PERM/Downloads/FY 08 Report.pdf](http://www.cms.hhs.gov/PERM/Downloads/FY_08_Report.pdf)